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Federal Communications Commission
Office of the Secretary

Ms. Monica Desai
Media Bureau
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

July 12, 2007

RE: Comments for FCC 7-32, MB 07-51

Dear Ms.Desai,

We at Conexus Networks LLC, a Utah corporation, would appreciate the FCC consideration of our comments "*on the use of exclusive contracts for the provision of video services to multiple dwelling units ("MDUs") or other real estate developments." (FCC 07-32, MB Docket No. 07-51) Accordingly, this (Notice) is designed to solicit comment on whether the use of exclusive contracts in the MDU video provider market unreasonably impedes the achievement of the interrelated federal goals of enhanced multichannel video competition and accelerated broadband deployment and, if so, how the Commission should act to address that problem.*[1]

Conexus Networks, LLC., for the past two years, has been involved in data infrastructure and content provisioning for both residential and commercial properties in Utah. Conexus provides voice, video, data, and security services and engineering to MDU's as well as green field residential developments. In our opinion, there exists an acceptable level of competition, a federal goal, under the current system. The rate of broadband deployment could perhaps be escalated, however, given the physical distances involved and the low population density within our area, we foresee this rate of implementation will remain constant although not as rapid as we would like. We feel that PCOs are a useful part of the overall picture in the data communications arena in our field and are writing to respond to questions posed by the FCC.

Partnering with real estate developers, we have established several projects wherein we were able to compete with cable franchisees and provide high-speed broadband and also video services. The projects were economically viable due to the creation of an Exclusive Service/Access Contract (EC). This revenue stream made feasible the installation of the infrastructure including satellite and headend equipment which can also be used towards a triple-play lineup.

The MDUs thus serviced enjoyed greater flexibility and customization in channel lineup than would have been provided by a large provider.

The EC which enabled the projects are not in perpetuity (5-10 years), and there exists Service Level Agreements (SLAs) which protect the residents and Developer and enable them to enjoy the level of service they expect.

The ECs assist us in providing the MDUs leverage, in effect, collective bargaining. Where MDUs require services we do not provide, they are able to obtain a favorable rate from the vendors acting as a single unit.

Bottom line, we could not operate were ECs to be eliminated. There would be no way to generate the funds required to provide the robust data infrastructure needed by digital technologies, especially in rural

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areas. We see the reasoning in not having them in perpetuity, but there needs be sufficient time granted to recoup the capital costs involved.

Thank you for considering our comments.

Regards,

Rob Wachtler

Rob Wachtler
Conexus Networks LLC
370 W Center St.
Orem, Utah 84058

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Federal Communications Commission
Office of the Secretary

July 10, 2007

Ms. Monica Desai
Media Bureau
Federal Communications Commission
445 12th Street SW
Washington, D. C. 20554

Re: FCC 07-32, MB 07-51

Dear Ms. Desai,

Privatel, Inc. (Privatel, or the Company) is a private telecommunications Service provider. The company provides video, voice and data services both wired and wireless, to colleges, universities, hospitals and assisted Living facilities throughout the east coast. Our service is available to approximately 70,000 administrators, faculty members, students and patients.

I am writing to the Commission to inform them that the private telecommunication industry needs exclusive service agreements to survive. Exclusive agreements are necessary to provide enough time for the service provider to recoup its capital investment and insure a fair rate of return. If exclusive agreements are eliminated it would actually have the reverse result that the Commission desires, it will reduce competition, since the private telecommunication service providers will disappear. Competition is not stifled by exclusive service agreements. They actually promote competition. MDU owners and faculty administrators actively solicit requests for service proposals from numerous service providers when they have decided to obtain telecommunications services. These requests are sent to the franchised cable operator, the regional bell operating companies and the private telecomm service providers. At that point the MDU owners and facility administrators have the leverage and bargaining power to obtain what is in the best interest of the residents. Privatel offers administrators a choice of programming based on the facilities demographics (ala carte), security, and community service channels, along with lower prices.

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Exclusive agreements are not new to the Commission or the marketplace. I believe that long-term spectrum lease agreements are analogous to exclusive service agreements. Just recently, the Commission approved long-term exclusive lease agreements of educational broadcast service (EBS) spectrum in Docket No. 03-66. In both these cases the service provider must have an exclusive agreement to allow enough time to recoup their investment and obtain a fair return on investment. Additionally customers of wireless cellular carriers must sign an exclusive agreement long enough for the carrier to recoup their cost of the cell phone.

Respectfully yours,

Nicholas Mastrorilli,
President and C.E.O.